

623-RFA-02-030

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Maize Development in Kenya

Solicitation Number: 623-RFA-02-030

Issuance Date: May 20, 2002

Closing Date: July 11, 2002

Closing Time: 4.00 PM, Kenya Time

Subject: Request for Applications (RFA) Number 623-RFA-02-030
Maize Development in Kenya

The United States Agency for International Development (USAID) is seeking applications for an Assistance Agreement from an organization/ consortium for funding a program for funding a program for maize development in Kenya. The authority for the RFA is found in the Foreign Assistance Act of 1961, as amended.

The Recipient will be responsible for ensuring achievement of the program objective of realizing a high quality and improved productivity maize crop per acre. Please refer to the Program Description for a complete statement of goals and expected results.

Pursuant to 22 CFR 226.81, it is USAID policy not to award profit under assistance instruments. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards (22 CFR 226, OMB Circular A-122 for non-profit organization, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for-profit organizations), may be paid under the grant.

Subject to the availability of funds, USAID intends to provide approximately \$4,800,000 in total USAID funding to be allocated over a four-year period. USAID reserves the right to fund any or none of the applications submitted.

For the purposes of this program, this RFA is being issued and consists of this cover letter and the following:

1. Section A - Grant Application Format;
2. Section B - Selection Criteria;
3. Section C – Program Description;
4. Section D - Certifications, Assurances, and Other Statements of Applicant/Grantee;

For the purposes of this RFA, the term "Grant" is synonymous with "Cooperative Agreement"; "Grantee" is synonymous with "Recipient"; and "Grant Officer" is synonymous with "Agreement Officer".

If you decide to submit an application, it should be received by the closing date and time indicated at the top of this cover letter at the place designated below for receipt of applications. Applications and modifications thereof shall be submitted in envelopes with the name and address of the applicant and RFA number 623-RFA-02-030 inscribed thereon, to:

(By U.S. Mail)

Patrick Muthee
USAID/REDSO
Unit 64102
APO AE 09831-4102

(By All Other Means of Delivery)

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Patrick Muthee
Regional Contracting Office
USAID Mission to Kenya
Kasarani Road, ICIPE Campus
P. O. Box 30261
00100 Nairobi, Kenya.

Applicants are requested to submit both technical and cost portions of their applications in separate volumes. Award will be made to that responsible applicant(s) whose application(s) offers the greatest value.

Issuance of this RFA does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of an application. Further, the Government reserves the right to reject any or all applications received. In addition, final award of any resultant grant(s) cannot be made until funds have been fully appropriated, allocated, and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for award. Applications are submitted at the risk of the applicant; should circumstances prevent award of a cooperative agreement, all preparation and submission costs are at the applicant's expense.

The preferred method of distribution of USAID procurement information is via the Internet. This RFA and any future amendments can be downloaded from the Agency Web Site. The World Wide Web Address is <http://www.usaid.gov>. Select Business and Procurement from the home page, then "USAID Procurements". On the following screen, select "Download Available USAID Solicitations". Receipt of this RFA through INTERNET must be confirmed by written notification to the contact person noted below. It is the responsibility of the recipient of the application document to ensure that it has been received from INTERNET in its entirety and USAID bears no responsibility for data errors resulting from transmission or conversion processes.

In the event of an inconsistency between the documents comprising this RFA, it shall be resolved by the following descending order of precedence:

- (a) Section II - Selection Criteria;
- (b) Section I - Grant Application Format;
- (c) The Program Description;
- (d) This Cover Letter.

Any questions concerning this RFA should be submitted in writing to Patrick Muthee via facsimile # 254-2-860949, or via the following e-mail address cafrica@usaid.gov. If there are problems in downloading the RFA off the INTERNET, please contact the USAID INTERNET Coordinator on (202) 712-4442. Applicants should retain for their records one copy of all enclosures that accompany their application.

Sincerely,

Michael F. Walsh
Regional Agreement Officer
USAID/REDSO/ESA

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SECTION A - GRANT APPLICATION FORMAT

PREPARATION GUIDELINES

All applications received by the deadline will be reviewed for responsiveness to the specifications outlined in these guidelines and the application format. Section II addresses the technical evaluation procedures for the applications. Applications which are submitted late or are incomplete run the risk of not being considered in the review process.

Applications shall be submitted in two separate parts: (a) technical and (b) cost or business application. Technical portions of applications should be submitted in an original and six copies and cost portions of applications in an original and two copies.

The application should be prepared according to the structural format set forth below. Detailed information should be presented only when required by specific RFA instructions. Applicants are encouraged not to exceed 50 pages of submissions, and the applications shall be written in English and formatted for standard 8 1/2" x 11", single spaced, 10 characters per inch with each page numbered consecutively. Items such as graphs, charts, cover pages, dividers, table of contents, and attachments (i.e. key personnel resumes, table summarizing qualifications of proposed personnel, past performance reports) are not included in the 50-page request. Applications must be submitted no later than the date and time indicated on the cover page of this RFA, to the location indicated on page 1 of the cover letter accompanying this RFA.

Technical applications should be specific, complete and presented concisely. The applications should demonstrate the applicant's capabilities and expertise with respect to achieving the goals of this program. The applications should take into account the technical evaluation criteria found in Section II.

Applicants should retain for their records one copy of the application and all enclosures which accompany their application. Erasures or other changes must be initialed by the authorized person signing the application. To facilitate the competitive review of the applications, USAID will consider only applications conforming to the format prescribed below.

COST APPLICATION FORMAT

The Cost or Business Application is to be submitted under separate cover from the technical application. Certain documents are required to be submitted by an applicant in order for a Grant Officer to make a determination of responsibility. However, it is USAID policy not to burden applicants with undue reporting requirements if that information is readily available through other sources.

The following sections describe the documentation that applicants for Assistance award must submit to USAID prior to award. While there is no desired page request for this portion, applicants are encouraged to be as concise as possible, but still provide the necessary detail to address the following:

A. A copy of the program description that was detailed in the applicants program description on a 3-1/2" diskette, formatted in Word97.

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B. Include a budget with an accompanying budget narrative which provides in detail the total costs for implementation of the program your organization is proposing. The budget should be submitted using Standard Form 424 and 424A which can be downloaded from the USAID web site, http://www.usaid.gov/procurement_bus_opp/procurement/forms/sf424/

- the breakdown of all costs associated with the program according to costs of, if applicable, headquarters, regional and/or country offices;
- the breakdown of all costs according to each partner organization involved in the program;
- the costs associated with external, expatriate technical assistance and those associated with local in-country technical assistance;
- the breakdown of the financial and in-kind contributions of all organizations involved in implementing this Cooperative Agreement;
- potential contributions of non-USAID or private commercial donors to this Cooperative Agreement;
- your procurement plan for commodities (note that contraceptives and other health commodities will not be provided under this Cooperative Agreement).

C. A current Negotiated Indirect Cost Rate Agreement;

D. Required certifications and representations (as attached):

E. Cost share has been recommended to be 25% of the total estimated amount. Applicants that provide higher amounts of cost share will be evaluated more favorably.

F. Applicants who do not currently have a Negotiated Indirect Cost Rate Agreement (NICRA) from their cognizant agency shall also submit the following information:

1. copies of the applicant's financial reports for the previous 3-year period, which have been audited by a certified public accountant or other auditor satisfactory to USAID;
2. projected budget, cash flow and organizational chart;
3. A copy of the organization's accounting manual.

G. Applicants should submit any additional evidence of responsibility deemed necessary for the Grant Officer to make a determination of responsibility. The information submitted should substantiate that the Applicant:

1. Has adequate financial resources or the ability to obtain such resources as required during the performance of the award.
2. Has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant, non-governmental and governmental.
3. Has a satisfactory record of performance. Past relevant unsatisfactory performance is ordinarily sufficient to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance.
4. Has a satisfactory record of integrity and business ethics; and
5. Is otherwise qualified and eligible to receive a grant under applicable laws and regulations (e.g., EEO).

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H. Applicants that have never received a grant, cooperative agreement or contract from the U.S. Government are required to submit a copy of their accounting manual. If a copy has already been submitted to the U.S. Government, the applicant should advise which Federal Office has a copy.

In addition to the aforementioned guidelines, the applicant is requested to take note of the following:

I. Unnecessarily Elaborate Applications - Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective application in response to this RFA are not desired and may be construed as an indication of the applicant's lack of cost consciousness. Elaborate art work, expensive paper and bindings, and expensive visual and other presentation aids are neither necessary nor wanted.

J. Acknowledgement of Amendments to the RFA - Applicants shall acknowledge receipt of any amendment to this RFA by signing and returning the amendment. The Government must receive the acknowledgement by the time specified for receipt of applications.

K. Receipt of Applications - Applications must be received at the place designated and by the date and time specified in the cover letter of this RFA.

L. Submission of Applications:

1. Applications and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the Cover Letter of this RFA, and (2) showing the time specified for receipt, the RFA number, and the name and address of the applicant.

2. Telegraphic applications will not be considered; however, applications may be modified by written or telegraphic notice, if that notice is received by the time specified for receipt of applications.

M. Preparation of Applications:

1. Applicants are expected to review, understand, and comply with all aspects of this RFA. Failure to do so will be at the applicant's risk.

2. Each applicant shall furnish the information required by this RFA. The applicant shall sign the application and print or type its name on the Cover Page of the technical and cost applications. Erasures or other changes must be initialed by the person signing the application. Applications signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office.

3. Applicants who include data that they do not want disclosed to the public for any purpose or used by the U.S. Government except for evaluation purposes, should:

(a) Mark the title page with the following legend:

"This application includes data that shall not be disclosed outside the U.S. Government and shall not be duplicated, used, or disclosed - in whole or in part - for any purpose other than to evaluate this application. If, however, a grant is awarded to this applicant as a result of - or in connection with - the submission of this data, the U.S. Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting grant. This restriction does not limit the U.S. Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets ; and

(b) Mark each sheet of data it wishes to restrict with the following legend:

"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this application."

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- N. Explanation to Prospective Applicants - Any prospective applicant desiring an explanation or interpretation of this RFA must request it in writing within three weeks of receipt of the application to allow a reply to reach all prospective applicants before the submission of their applications. Oral explanations or instructions given before award of a Grant will not be binding. Any information given to a prospective applicant concerning this RFA will be furnished promptly to all other prospective applicants as an amendment of this RFA if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective applicants.
- O. Instructions, format and content

1. Technical Approach:

1. Technical Approach

a) The applications will demonstrate innovative and practical approaches to improve efficiency and benefits throughout the product-market chain. It is expected that the applications will propose implementation partnerships or consortia among private and non-governmental organizations from the U.S and from Kenya. In addition the applications will demonstrate thorough understanding of the program and propose collaborative working relations with appropriate Kenyan government and other private and nongovernmental organizations outside the implementing consortium. The approach to program implementation will:

- Adopt a value chain approach;
- Use a market-based approach to delivery of services (research, seed multiplication, extension, production information, fertility management, product delivery, marketing and trade, etc.) that includes consideration of both the supply and the demand side of the provision of these services;
- Describe activities that will assist smallholder organizations to develop into business-oriented and business-based, sustainable organizations;
- proactively promote environmental conservation in all relevant activities, trainings, etc.; and
- accrue maximum gender benefits to both men and women.

b) In preparing the proposal, applicants can refer to the USAID/Kenya Integrated Strategic Plan 2001-2005 (**copy to be provided on request**), as the ISP presents the background and sets the rational and expected results of USAID/Kenya's overall program for the strategy period. SO 7, "Increased Rural Household Incomes" is the focus on this proposal and the application should outline how the proposed activities will lead to achieving the IRs and increasing rural household income.

c) The Technical Application in response to this solicitation should address how the applicant intends to carry out the program description contained in Section C. It should communicate a clear understanding of the work to be undertaken during implementation, and the responsibilities of all parties involved. The technical application should be organized by the technical evaluation criteria listed in Section B.

2. Personnel:

The applications must specify the composition and organizational structure of the implementation team, including Key Personnel positions the applicant deems necessary to successfully implement the project. The key personnel should include the leader for each organization proposed in the consortium or partnership, if such a group is being proposed. The proposed personnel will have relevant experience of implementing similar programs with preference given to Africa experience. Describe the role of each key personnel and other proposed staff members, required technical expertise and estimated amount time each will devote to the project, names and expertise of individuals who will occupy these positions.

3. Past Performance:

The past performance of each organization in the consortium will be evaluated under the technical skills described in Section B. Care should be taken to establish the relevance of past experience to this program and the basis for reliance upon that experience as an indicator of success on this program. The application must demonstrate success in providing similar implementation services on past awards, including production of meaningful outputs and significant results in accordance with required outputs and results. Describe applicants' responsiveness to past clients regarding ability to adapt to the unique country settings and client priorities and client satisfaction. Describe all contracts, cooperative agreements

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and grants which each organization on the proposed team has implemented involving similar or related programs over the past three years (both commercial and government). Include the following:

- a. Name and address of awarding organization or agency as well as name, address and contact information of a responsible technical representative of that organization/agency;
- b. Place of performance of service or program;
- c. Award Number;
- d. Amount of award;
- e. Duration of award (beginning and end dates);
- f. Brief description of the program;
- g. Evidence of a successful record of implementing similar programs in developing countries;
- h. Significant results against program required outputs and results;
- i. Evidence of client satisfaction with performance on similar programs.

4. Institutional Capacity:

The Applications must provide evidence of the technical resources, expertise and capacity to implement proposed activities for each organization in the proposed team, (where applicable). The application must clearly demonstrate the ability to provide full managerial, financial, technical support and oversight, and clear organization plan for an award of this type. The applications will demonstrate ability to develop clear planning matrices, monitoring and evaluation plans, practical but meaningful indicators and ability to access data quality audits for monitoring and data collection for reporting results and impact. The information presented should indicate pertinent work experience and representative accomplishments in developing and implementing similar programs. At a minimum, information in this section should address the following topics:

- a. Brief description of organization's history/expertise;
- b. Pertinent work experience in developing and implementing programs of the type proposed;
- c. Relevant experience in maize sector;
- d. Institutional strength as represented by the ability of the organization to mobilize qualified and experienced personnel to work under the proposed cooperative/grant agreement;
- e. Proposed management structure of the team of the organization
- f. Establishment of indicators and monitoring these for progress towards achievement of objectives, targets for similar programs;
- g. Home office backstopping.

P. Grant Award:

1. The Government may award one or more Grants resulting from this RFA to the responsible applicant(s) whose application(s) conforming to this RFA offers the greatest value (see also Section B of this RFA). The Government may (a) reject any or all applications, (b) accept other than the lowest cost application, (c) accept more than one application (see Section B, Selection Criteria), (d) accept alternate applications, and (e) waive informalities and minor irregularities in applications received.

2. The Government may award one or more Grant(s) on the basis of initial applications received, without discussions. Therefore, each initial application should contain the applicant's best terms from a cost and technical standpoint.

3. A written award mailed or otherwise furnished to the successful applicant(s) within the time for acceptance specified either in the application(s) or in this RFA (whichever is later) shall result in a binding Grant without further action by either party. Before the application's specified expiration time, the Government may accept an application, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an application do not constitute a rejection or counteroffer by the Government.

4. Neither financial data submitted with an application nor representations concerning facilities or financing, will form a part of the resulting Grant(s).

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Q. Authority to Obligate the Government - The Grant Officer is the only individual who may legally commit the Government to the expenditure of public funds. No costs chargeable to the proposed Grant may be incurred before receipt of either a fully executed Grant or a specific, written authorization from the Grant Officer.

R. Proposed RFA Timeline: The following is a tentative timeline of this RFA.

Issue RFA	May 20, 2002
Close RFA	July 11, 2002
Complete Evaluation	July 25,2002
Complete Negotiations	August 5, 2002
Receive Revised Proposal	August 19, 2002
Complete Revised Evaluation	August 26,2002
Award	September 16, 2002

S. Substantial Involvement: The Government plans to have substantial involvement in the program implementation which will include the following:

- a. Approval of annual work plans
- b. Approval of key personnel
- c. Approval of Sub-Grantees
- d. External mid-term and end of project evaluations
- e. Stakeholders workshops
- f. USAID/Kenya monitoring and verification field trips

The Grantee will be required to submit quarterly implementation progress reports and annual results/impact progress reports that will progress toward attainment of program's outputs and results, lessons learned, future direction and planned activities for the next quarter/year etc. The Annual Report will be timed to provide USAID/Kenya information for its Annual Report to USAID/W on program impact and progress towards achieving targets of agreed upon indicators.

SECTION B - SELECTION CRITERIA

The criteria presented below have been tailored to the requirements of this particular RFA. Applicants should note that these criteria serve to: (a) identify the significant matters which applicants should address in their applications and (b) set the standard against which all applications will be evaluated. To facilitate the review of applications, applicants should organize the narrative sections of their applications in the same order as the selection criteria.

The technical applications will be evaluated in accordance with the Technical Evaluation Criteria set forth below. Thereafter, the cost application of all applicants submitting a technically acceptable application will be opened and costs will be evaluated for general reasonableness, allowability, and allocability. To the extent that they are necessary (if award is made based on initial applications), negotiations will then be conducted with all applicants whose application, after discussion and negotiation, has a reasonable chance of being selected for award. Awards will be made to responsible applicants whose applications offer the greatest value, cost and other factors considered.

Awards will be made based on the ranking of proposals according to the technical selection criteria identified below.

A Technical Evaluation Committee (TEC) in accordance with the Technical Evaluation Criteria set below, will evaluate this technical portion of applications. Thereafter, the cost management portion of the applications will be reviewed and costs will be evaluated to provide input to determine the proposal of best value.

The proposal will be evaluated based on the following factors that fall into four qualitative categories. A total of 200 points will be used, with the elements assigned with relative weights as set out below.

Scoring Criteria	Points
1. Technical Approach	60 (30%)
a. Technical feasibility and practical soundness of the proposal for each element (productivity, markets and trade, BDS, producer organizations)	30
b. Quality and appropriateness of partnerships proposed to implement the program.	20
c. Innovative approaches and strategies to implement the program including gender, environmental concerns, farmer training, partnerships, etc	10
2. Personnel	50 (25%)
a. Professional qualifications and relevant experience in implementing similar programs in developing countries. Preference for such experience in Africa.	30
b. Appropriateness of the positions to proposed implementation approaches	20
3. Past Performance	60 (30%)
a. Demonstrated success in providing maize sector implementation services on past awards, including production of meaningful outputs and significant results in accordance with required outputs and results.	30
b. Applicant's responsiveness to past clients regarding ability to	

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adapt to the unique country settings and client priorities;
client satisfaction.

30

4. Institutional Capabilities

30 (15%)

a. Demonstrated ability to provide full managerial, financial
and technical support and oversight for a award of this type.

10

b. Clarity of organization plan, including specific arrangement
for interaction with partners, NGOs and Kenya private firms

10

c. Demonstrated ability to develop clear planning matrices,
monitoring and evaluation plans, practical but meaningful indicators

10

GRAND TOTAL

200 (100%)

SECTION C - PROGRAM DESCRIPTION

Kenya Maize Development Program Program Description

1. Background

Agriculture is the base for broad-based economic development in Kenya, and it remains the dominant source of livelihood for rural Kenyans. Welfare studies show that in Kenya, poverty is found in all agro-ecological areas, and due to the high density population in the high and medium potential areas of Kenya, the number of people living below poverty line represents some 50% of the total Kenyan population. Studies also indicate that several agricultural commodities including dairy, maize and horticulture have the potential to raise incomes in rural smallholder households.

Maize remains the most important staple food in the country. Kenya has an estimated 3 million households who plant more than 1.5 million hectares of maize annually. Of the total hectares, 60 percent is planted as a single crop per year in western Kenya; 32 percent planted in two seasons in a year in mid-elevations; and 8 percent planted as two crops per year in the lowlands and coastal regions. Despite the long history of maize production in Kenya and its vibrant seed industry, its productivity remains low at 8 90-kg bags/acre (approx 0.8 tons/acre). Reasons for low productivity include poor quality seed, lack of use of improved practices, debilitated government extension services, use of inappropriate or inadequate fertilizers, poor access by smallholders to markets, weak producer organizations and weak human resource capacities. The Program Description below, based on design studies carried out in Jan/Feb 2002 and subsequent input from stakeholders, puts forward the approaches, principles and illustrative activities that USAID/Kenya believes will best achieve its objectives for increasing incomes of the smallholder maize farmer over the next four years.

2. USAID's Strategic Objective

Strategic Objective 7 (SO 7) is one of 5 objectives of USAID/Kenya's Integrated Strategic Plan for 2001-2005, approved in January 2001. It aims to increase rural household incomes, principally through activities based in agriculture and microenterprise. SO 7 envisions achieving its objective of increased household incomes through four inter-related Intermediate Results (IRs) of: 7.1) increased productivity of targeted agricultural sub-sectors; 7.2) increased agricultural trade; 7.3) increased access to business support services for micro and small enterprises; and 7.4) increased effectiveness of smallholder organizations to provide business services to their members and represent their business interests.

The proposed interventions will address constraints and take advantage of opportunities to achieve the 4 Intermediate Results (IRs) of SO 7:

IR 7.1 - Increased productivity;

IR 7.2 - Increased agriculture trade; and

IR 7.3 Increased access to business support services for micro- and small enterprises

IR 7.4 - Increased effectiveness of smallholder organizations to provide business services to their members and represent their business interests.

USAID SO 7's Results Framework lays out the logic and the results expected in implementing the strategy to achieve the overall objective of increasing rural household incomes, as follows:

IR 7.1 Increased productivity:

- Create a policy environment that promotes investment in agribusiness and efficient use of resources;
- Increased use of technology;
- Sustainable use of natural resources for agriculture; and
- Increased participation of the private sector in delivery of services.

IR 7.2 Increased agricultural trade:

- Create a policy environment that promotes trade and competition;
- Improved performance of agricultural marketing systems; and
- Improved delivery of services necessary to facilitate agricultural trade.

IR 7.3 Increased access to business support services for micro- and small enterprises

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- Implementation of policies that promote enterprise development;
- Strengthened financial markets; and
- Increased delivery of cost-effective non-financial services (Business Development Services).

IR 7.4 Increased effectiveness of smallholder organizations to provide business services to their members and represent their business interests:

- Policy and regulatory environment that promotes groups' abilities to organize and pursue business interests; and
- Strengthened ability of smallholder organization members to manage their organization's business activities.

3. Strategic Approach

USAID/Kenya's SO 7 program to support Kenya's maize sector emphasizes that benefits (income) must accrue to the smallholders. It takes an approach that emphasizes concurrent attention by the participants in the process, to all the elements of the value-chain - from input commodities and services, through production, processing, to marketing and distribution, as well as environmental and socio-cultural impacts of the program's activities.

Farmers will become active members in the value chain and will be able to better address the issues they face across the whole value chain, and will learn how they can address them, ultimately without external support. They will learn about markets, production, quality and hygienic handling, processing and inputs through experiential learning facilitated by this program. They will learn how to access information and services from each other and from specialized resource people with whom they learn to network.

Engagement in the program will lead to increased household incomes for those who participate through their increased awareness of, and involvement in, every stage of the value chain. Production will be market-led and consumer-focused while productivity will be improved through more improved and cost effective crop management practices, higher skill levels and more efficient use of inputs. Transaction costs, as they become more transparent and more efficient as a result, will be reduced. Ultimately, Kenya's maize sector will be more competitive, allowing more income to go to producers while simultaneously providing consumers with a lower-priced staple food. This will also allow maize to be used in other products such as livestock feed, decreasing the costs of production in these industries as well.

The three essential interrelated principles of the approach are a) participation, b) learning, and c) networking, within a system where incentives are explicit, capacity development enabled, and trusting relationships built.

The SO 7's agriculture program targeted to high and medium potential areas focuses on the three commodity sub-sectors of maize, dairy and horticulture and is concerned with the three intermediate results of productivity, trade and producer organizations. The program includes activities to encourage a favorable policy environment across the IR components. Thus for productivity, USAID will encourage policy changes that favor investment in agribusiness and efficient use of resources, increased use of technology, sustainable use of natural resources for agriculture, and increased participation of the private sector in delivery of services. For increasing trade, the program encourages policy changes to promote trade and competition, improved performance of agricultural marketing systems, and increased access to services that facilitate agricultural trade. And lastly, the program will to increase effectiveness of smallholder organizations to provide business services to their members and represent their business interests by creating a policy and regulatory environment that promotes the ability of groups to organize and pursue business interests and by strengthening smallholder organization members to manage their organization's business activities.

3. Program Principles and Approaches

Value Chain: The program will adopt a market led production approach during implementation with an aim to commercialize maize production. The producer will understand his/her role in the value chain through experiential learning of issues across the chain from markets through post harvest, production and inputs.

Business Development Skills: Business services or non-financial services to businesses are becoming increasingly important in all economies, particularly in an era of increasing globalization. They are vital in enhancing the competitiveness of businesses, adding value to commodities and improving efficiency. The services are diverse in nature, offered in different forms and include training/skills development, design, advertising, business consultancy, market information, technical information, computer services, legal services, etc. Although business services are currently the

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fastest growing sector in many economies, they are notably weak in Kenya. The causes of weak business services markets are numerous, but fall in two broad market categories of information constraints and incentive distortions. On the demand side, potential consumers are unaware of services or benefits of services, while on the supply side, potential providers are unaware of opportunities or appropriate products. These factors prevent the effective functioning of business services market in Kenya and provide justification for USAID's support.

The focus on service provision (extension, inputs, information, market intelligence, business skills, legal, etc) will be through creating a well functioning business development services (BDS) market capacity via a mix of demand- and supply-side interventions. Smallholder organizations are expected to play a predominant role in the maize sector industry and their role should be evaluated and incorporated in the program implementation. Project interventions to provide services to smallholders and others along the value chain should be done without disrupting private sector suppliers of these services. The aim is to strengthen the demand and supply sides of these services. In the maize sub-sector, there are several areas that can be tackled from a BDS approach including extension services, business skills, marketing, access to credit, access and use of inputs, supply and transport, storage and marketing. In this program, USAID's approach will shift from the direct supply of subsidized business services to a limited population, to the development of a vibrant and competitive business services market made up of private providers serving large numbers of smallholder farmers. The objective is to create a well-functioning business services market through a mix of demand- and supply-side interventions that stimulate demand for business services and strengthen the capacity of service providers and/or the quality of their services, using facilitators who are not direct players in the market, but are close to and understand the way markets and businesses work.

The program will develop sustainable private-public partnerships at as many levels of the value chain as feasible, including creating linkages between providers of Business Development Services (BDS) and maize farmers. The approach will require the IA to undertake targeted activities to strengthen farmers' demand for services they identify and to increase their access to these services, be they provided by GOK (extension services) or private sector (stockists, private consultants, other farmers, farmer organizations, etc). The implementing agency for the maize program will provide short time contracts to market facilitators to address the constraints that hinder the provision and use of key services. The facilitators will be expected to target services that can be offered sustainably by private providers, and achieve greater long-term impacts.

Producer Organizations: Smallholder organizations are expected to have a significant and well defined role of representing farmers' business interests and developing their business endeavors as well. The program will focus on smallholder maize farmers as a key target group with special emphasis on increasing women's roles and leadership positions/capacities in their organizations. These organizations will ultimately develop into business-based organizations, with professional management that is held accountable to the membership. The end objective of these organizations is to increase returns to their members through provision of services on a business basis.

Environment/Natural Resources Management: The program will take into consideration the impact of the proposed activities on the environment and will actively institute mitigation measures to minimize negative impacts. It will also proactively promote environmental conservation with particular attention to soil fertility and water management, and incorporate sustainable uses of the resource based used for maize production to promote stewardship for sustainable use of land, water and forests. The IA will carry out the maize program in accordance also with the SO 7 Initial Environmental Examination, IEE of 2001.

Gender Considerations: Gender dynamics will be addressed in all aspects of program activities. The program is expected to benefit both men and women smallholder maize farmers with special emphasis on women as the most vulnerable group. In this regard, the proposal will identify disparities in opportunities and constraints that proposed activities present to men and women. Emphasis will be placed on approaches that attempt to increase benefits to women. Examples of concerns to be addressed could include enhancing women's capacity to make decisions, secure leadership roles in their organizations, increase their business tenacity etc.

Geographic area: USAID has not selected specific geographic locations for program implementation, but the maize program will be located in areas of the high and medium potential zones of Kenya.

4. Expected Outputs and Impacts

The objective of the maize development program is to increase household incomes of smallholder maize farmers. At the end of the program's four-year implementation period, the following key results will have been achieved:

Expected results in maize productivity:

- annual maize yields per acre of land increased;
- new maize seed varieties developed and made available to farmers;
- more smallholder farmers adopt high-yielding technologies;
- increased number of women benefiting from increased maize yields;
- decreased cost of production of maize for smallholders;
- increased role of private sector in service provision to smallholder farmers;
- increased number of farmers adopting natural resources management and better soil husbandry practices;

Expected results in maize markets and trade:

- improved market margins for smallholder maize farmers and consumers;
- decreased price to consumers;
- product diversification leading to alternative uses of maize (livestock feeds, other food products);
- increased competitiveness of Kenyan maize within the East African region;
- use of standards and grades to improve marketing and prices;
- increased access to market information and ability to use this information to make production and marketing decisions;
- increased links to private sector to improve trade;

Expected results in business services demand and supply:

- expanded access to business development services by smallholder farmers;
- increased services provided by private sector used by maize farmers
- increased demand for services by maize farmers;
- active and sustainable learning by farmers on technologies, business services, product quality, marketing arrangements

Expected results in maize producer organizations:

- increased number of active members;
- increased number of women members;
- increased numbers of women in key positions in their organizations;
- increased number of business-oriented/based smallholder organizations serving maize sector participants;
- improved organizational management;
- improved business practices;
- increased services accessed by organization for its members;
- increased profitability of maize farmer organizations;
- increased returns from organizations to their members;

The proposal should clearly articulate both the outputs and people-level impacts and targets the Implementing Agency considers critical to the achievement of the program objectives. For each of the outputs and impact results, state indicators for measuring progress towards achievements and the benchmark targets against which performance will be evaluated.

5. Program Activities

Policy Research, Dialogue and Dissemination:

1. Activities implemented by other than the IA:

Tegemeo: USAID has an on-going program with Egerton University's Tegemeo Institute of Agricultural Policy and Development to conduct field research and analyses, and disseminate research results. The research is intended to provide Kenyan agricultural decision makers (GOK, private sector, international organizations) with an empirical base of knowledge regarding the behavior of farmers, consumers, and marketing agents as a basis for making key policy changes. Tegemeo's research directly supports SO 7's dairy, horticulture and maize policy research requirements by highlighting areas for further interventions to better achieve increased rural household incomes. A specific activity is the refinement and use of the income proxy work to be able to monitor impact on rural incomes of activities in dairy, horticulture and maize. This is a joint effort between Tegemeo Institute and Michigan State University. The Implementing Agency will collaborate with Tegemeo Institution on policy issues and the income proxy work. The Implementing Agency will collaborate with Tegemeo Institution on policy issues and the income proxy work. Specifically on the maize sector, Tegemeo will continue its research agenda that includes work on productivity, costs of production, marketing and trade, competitiveness of Kenya's maize industry, comparisons of smallholder and large holder maize systems to determine the efficiencies and problems of each. The institute has been active in the Poverty Reduction Strategy Paper development and the Kenya Rural Development Strategy development.

The IA will liaise with Tegemeo Institute to provide input and recommendations for policy studies for the maize sector, based on field realities and farmer needs. The IA will also use Tegemeo's results in re-shaping program interventions as new information comes to light as a result of their research. The IA may consider starting up a process of facilitating maize stakeholders workshops with government, donors, private sector, farmers and NGOs identify constraints and opportunities for the smallholder maize sector. This kind of process has been started in the horticultural and dairy sectors. Recommendations developed through this process could present to GOK and parliament, a vision for Kenya's maize sector, and views and recommendations concerning legislation, regulations and policies and their impact on the industry.

B. IR 7.1 Increased Productivity

1. Activities implemented by other than the IA

KARI: USAID has supported agricultural research, and specifically maize variety development, since 1964 when a Maize Breeding Methodology was mounted. Support to Kenya Agriculture Research Institute (KARI) has since continued and is currently provided under the Agribusiness Development Support project (ADSP). Many of the maize hybrids developed with USAID support continue to dominate the hybrid seed industry in Eastern Africa. It is expected that under SO 7, USAID will provide targeted assistance to KARI to work on the final stages of developing and commercializing maize varieties resistant to maize streak virus, striga weed and leaf diseases (grey leaf spot, leaf rust and leaf blight). With these resistant varieties KARI expects that smallholder productivity could increase from the current 1.5-2.0 tons per hectare of grain, to 4.5-6.0 tons per hectare. In addition to the traditional breeding program to develop resistance, USAID will also support KARI to use biotechnology approaches to develop resistance in maize varieties.

Under this SO 7 program, USAID also plans to fund the KARI Seed Unit whose objective is to provide breeder, pre-basic, and basic seed to qualified seed growers on a cost recovery basis. Seed Unit Centers will be established to maintain all pre-released elite and released parental lines/varieties, increase breeder seed of these lines, produce pre-basic and basic seed on contractual basis and assist in training private sector seed growers on seed production techniques.

Seed Trade Association of Kenya (STAK): USAID currently funds STAK to work with Kenya's principal trading partners in the region to harmonize legislation and protocol to facilitate the trade of improved seed across borders with Uganda and Tanzania. This partially addresses the problem of Kenya's farmers' lack of access to high quality varieties that may be available in neighboring countries. Following the ratification of the East African Community Co-operation Treaty, various barriers have been removed and Uganda and Tanzania are borrowing the methodology from Kenya. STAK works closely with the Kenyan Ministry of Agriculture and Rural Development (MOARD) and the Kenya Plant Health Inspectorate Service (KEPHIS), who is responsible for oversight of the liberalization process of the seed sector. KEPHIS, being the regulatory agency for quality agricultural inputs and produce, has been working with STAK to oversee ways in which the seed sector can be liberalized without sacrificing on quality.

Winrock International: USAID has been funding Winrock International since April 1999. The strategy of this project is to utilize private sector, NGOs and farmer groups to transfer technology from research institutions to small-scale farmers in medium and low potential areas in Kenya. The project activities are multiplication and delivery of improved seed and agri-inputs, especially fertilizers, to small-scale farmers through stockists, community based organizations (CBOs) and farmer groups. This is expected to increase productivity and rural household incomes.

The IA is expected collaborate with each during implementation, using input from each to inform their field activities, and providing each with information to inform policy research and regulatory development.

2. *Illustrative activities to be implemented by the IA*

The implementing agency (IA) is expected to propose innovative activities that can best achieve the program's IR results and SO objectives. Some of the illustrative activities suggested in the maize program design document include:

Information compilation and dissemination: Dissemination of information on maize production, including a comprehensive set of materials (handbooks or pamphlets) that cover best practices for land preparation, planting, fertilizer use, soil amendments, tillage, pest control and other practices including economics of production. It will involve data collection, categorization and development of sets of recommendations according to the different conditions farmers face.

Soil fertility management: Soil fertility management practices, such as minimum tillage, fertilizer, liming and environmental impact mitigation activities to manage soil fertility and water more sustainably. Liming technology, using rock phosphate to overcome soil acidity and simultaneously providing phosphorus, would be made readily available to farmers as a means to increase yields and decrease costs of production. Use of different types of compound fertilizers should be considered, promoted and popularized with farmers in targeted maize production zones. Farmers currently have very limited types of fertilizers, often not the types that address the nutrients needs of their crops or address their specific soil deficiencies. This has led to decreased yields and increased costs of production. Improved or minimum tillage practices by farmers in targeted maize production zones of Kenya should be considered as another technology to improve productivity. The proposal should clearly articulate how each of these activities and any other will be implemented to achieve maximum results.

Use of new and improved technologies such as IPM, improved crop varieties and soil fertility management is critical to enhancement of agricultural productivity. The IA is expected to propose how it will implement these activities for successful technology dissemination, transfer and adoption by smallholders. Some illustrative examples for technology promotion include information dissemination, use of the farmer field school methodology, farmer training, extension services and on-farm technology demonstrations. The proposal should include creative and sustainable approaches to technology transfer and adoption.

Post Harvest: Post-harvest losses are one of the biggest challenges facing farmers. Chemical solutions to this problem are being criticized due to their adverse environmental and health effects as well as pest resistance. Recently, Kenyan farmers have noted that current chemicals they use are ineffective against the larger grain borer (LGB) (*Prostephanus turncatus*). This is blamed on a range of reasons including: poor drying of grain, adulteration or false labeling of chemicals sold to farmers, incorrect rates of application, inappropriate storage and inadequate awareness on proper storage in general. Alternative low cost technologies are needed that can provide long-term solutions that are environmentally sound.

a. IR 7.2 Markets and Trade

3. *Activities implemented by other than the IA*

IAs in the USAID/Kenya Horticulture and Dairy programs may also be working on market information and the Maize IA will be required to work closely with these IAs to ensure consistency in approach or, as appropriate, pool efforts for one system.

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Tegemeo: See Description above for Tegemeo's policy work related to the maize sector.

SCODP: A Kenyan NGO, Sustainable Community Oriented Development Programme (SCODP) is being supported by USAID to promote the use of fertilizer and improved seed among small-scale farmers in Kenya using the mini-pack approach. Mini-packs are small, low-priced packages of fertilizer and seeds that are easily affordable to small-scale farmers and enables them to experiment with new varieties and different fertilizers. SCODP activities are currently in Western Kenya but are being extended to central and Eastern Provinces collaborating with MOARD and private sector suppliers of fertilizer. Through demonstration plots on farmers' fields, SCODP has shown the possible yield increases by using combinations of organic and inorganic fertilizers, improved seeds and adapted varieties. SCODP trains stockists and MOARD extension agents on how these technologies can be transferred to the farmers.

The IA is expected to collaborate with the above organizations, using input from them to inform their field activities, and providing each with information to inform their work.

4. *Illustrative activities to be implemented by the IA*

Market Information, Standards and Grades: This activity would develop sustainable access by maize farmers to information at various parts of the value chain, such as information on prices, quantities, quality of inputs and produce, transport, storage, stock finance and tariffs for export trade. Information on trading procedures and documentation, and quality grades and standards, including certification, "seal of quality" on inputs such as seeds, fertilizer and pesticides are needed to facilitate trading activities in the markets. This activity will involve training farmers to interpret and use this information into market intelligence to make informed decisions on production and marketing options. There has been much discussion on establishing a commodities trading floor via a third party, disinterested private sector operation that the proposal may consider. Work with stockists and other private sector service providers may also be considered, building on experiences by international and Kenyan NGOs.

Product Diversification: This activity would explore the possible alternative uses of maize such as for the livestock industry. This would depend on decreasing costs of production and on quality control activities to guarantee clients of feeds a high quality product (linked to the "seal of quality program" above and the USAID Dairy Program).

b. 7.4 Producer Organizations

1. Activities implemented by other than the IA

Tegemeo: See Description above for Tegemeo's policy work related to the maize sector.

Other USAID programs: USAID's dairy and horticultural programs will also have components to strengthen producer organizations in these commodity sector. The Maize IA will be expected to closely work with the IAs on these two other programs to ensure approaches that are compatible and consistent in this activity area. There may also be shared activities to result in the most cost effective use of USAID resources.

2. Illustrative activities to be implemented by the IA

A combination of lack of funding, politicization, poor governance, and profiteering leadership led to the collapse of many farmer organizations. Most farmer organizations that still exist are riddled with problems of poor governance, political interference, poor management, unserviceable debts and lack of clearly defined roles in Kenya's market economy. Farmers have lost trust in their institutions.

Smallholder organizations contribute 75% of Kenya's agricultural production, 50% of the marketed production, and 72% of all cooperatives' annual business. Given the predominance role of small holder organizations in Kenya's agriculture, it is important to ensure that smallholder farmers are given the opportunity to organize themselves into groups that will provide them with the services they need to be profitable, to have greater voice in the market and to hold their organizations accountable for their actions. There is a great need for smallholder farmers to have organizations that perform activities that benefit from economies of scale. Cooperatives may still be a viable mechanism to achieve these objectives, given the new legislation eliminating government management of cooperatives. However, there are also new

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types of smallholder organizations (associations and self-help groups) that do not fall under the Cooperative Law that may achieve similar objectives to those of cooperatives.

Smallholder business organizations will have improved organizational and financial management systems, trained managers, and members who fully understand their rights and responsibilities. Members will be knowledgeable and empowered to hold their organizations accountable. Secondary level organizations maybe formed or strengthened with members drawn from the primary level organizations. These apex organizations will play such roles as advocacy for changes in policies and regulations, marketing etc that will benefit their wider membership.

Ability of smallholder organizations' members to manage organization business activities strengthened: The IA, with expertise in group business and cooperative development, will conduct organizational analyses of targeted organizations to identify their key issues, objectives, and goals. Based on the findings of the analyses, the IA will provide the organizations with capacity building training, including business practices, principles of business, management, organizational structure and management, managing change, restructuring, and marketing. Training will be provided to all levels of the selected organizations - management, members, and board members. Emphasis will be on training to improve business practices, strengthen governance and management, and empower both male and female members to assert their rights and responsibilities vis-a vis their organizations, ensuring that organizations are business based, member owned, and responsive to members' needs.

The present day smallholder agriculture faced by complex problems, characterized by dynamic policy and market environments, high degrees of risk and uncertainty, and by participation of multiple stakeholders, requires an extension approach that fosters and facilitates learning processes as the local level, as opposed to transmission of packaged technical messages. Through the learning process, farmers learn to ask the appropriate questions, search for possible solutions, both through local experimentation and through local experimentation and through communication with others (traders, extensionists, researchers, input suppliers, farmers in other areas, exporters etc.), test different options, and extract answers to their questions that are then disseminated from farmer to farmer. One method that has followed this learning approach is the Farmer Field Schools (FFSs) pioneered in Indonesia and Philippines. In Kenya FFSs were introduced by FAO in 1995.

The IA will review the operations of the FFS and determine how effective they are in achieving the goals of continuous innovation, cost effective production, marketing, and minimizing the environmental and health impacts of agricultural production. The FFSs in Kenya have initially focused on Integrated Pest and Production Management (IPPM). The IA is expected to review the methodologies and objectives of the FFS and develop recommendations on how these can be modified to marry with SO 7 and IR 7.1, IR 7.2, and IR 7.4 objectives and results. The IA should recommend linkages between activities of FFS and other smallholder organizations for enhanced SO 7, IR 7.1, IR 7.2, and IR 7.4 results.

The IA will conduct organizational analyses of targeted maize farmer organizations to identify their key issues, objectives, and goals. Based on the findings of the analyses, the IA will provide the organizations with capacity building training, including business practices, principles of business, management, organizational structure and management, managing change, restructuring, and marketing. Training will be provided to all levels of the selected organizations - management, members, and board members. Emphasis will be on training to improve business practices, strengthen governance and management, and empower both male and female members to assert their rights and responsibilities vis-a vis their organizations, ensuring that organizations are business based, member owned, and responsive to members' needs.

Business Development Services (BDS): Business services or non-financial services to businesses are becoming increasingly important in all economies, particularly in an era of increasing globalization. They are vital in enhancing the competitiveness of businesses, adding value to commodities and improving efficiency. The services are diverse in nature, offered in different forms and include training/skills development, design, advertising, business consultancy, market information, technical information, computer services, legal services, etc. Although business services are currently the fastest growing sector in many economies, they are notably weak in Kenya. The causes of weak business services markets are numerous, but fall in two broad market categories of information constraints and incentive distortions. On the demand side, potential consumers are unaware of services or benefits of services, while on the supply side, potential providers are unaware of opportunities or appropriate products. These factors prevent the effective functioning of

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business services market in Kenya and provide justification for USAID's support. Under the maize sub-sector, there are several areas that can be tackled from a BDS approach including maize milling, extension services, business skills, marketing, access to credit, access and use of inputs.

The approach will require the IA to undertake targeted activities to strengthen farmers demand for services they identify and to increase their access to these services, be they provided by GOK (extension services) or private sector (stockists, private consultants, other farmers, farmer organizations, etc). The implementing agency for the maize program will provide short time contracts to market facilitators to address the constraints that hinder the provision and use of key services. The facilitators will be expected to target services that can be offered sustainably by private providers, and achieve greater long-term impacts. In some cases a variety of interventions will be implemented together, in order to maximize synergy and impact. Some of them may be implemented in a relatively short period of time, while others would require greater time and resources. The choice of interventions, and how to structure them, will be a key consideration in awarding assistance to the facilitators.

Maize farmers suffer from lack of storage facilities to at least temporarily store their grain while waiting for the right market conditions. On the other hand NCPB has under-utilized storage facilities at about 30 locations through out the high and medium potential maize producing areas. The IA will explore ways of how farmer organizations can rent or lease the NCPB facilities where their maize could be collected, cleaned, graded and stored on behalf of members for later sale, hopefully at higher prices.

Maize Sub-Sector Design Report

SO7 – INCREASED RURAL HOUSEHOLD INCOMES MAIZE SUB-SECTOR DESIGN			
Activity	Geographic Area /Implementer	Target Results	Indicators
<p>1. Maize Variety Development</p> <p>Develop and commercialize varieties resistant to Maize Streak Virus, Striga Weed and Leaf Disease Resistance (Grey Leaf Spot, Leaf Rust and Leaf Blight)</p> <p>Components:</p> <ul style="list-style-type: none"> • Varietal crosses • Screening crosses • Testing experimental breeders varieties • Variety testing over sites and seasons • Prepare breeders, pre-basic and basic seed 	<p>Leaf Diseases: Kitale Streak Virus: Muguga Striga Weed: Kibos, Kakamega and Alupe</p> <p>Implementers</p> <ul style="list-style-type: none"> • Kenya Ag. Res. Inst. (KARI), private sector, CIMMYT, Intl. Center for Insect Physiol. and Ecology (ICIPE), Kenya Plant Health Inspectorate Service (KEPHIS), Seed Trade Assoc. of Kenya (STAK), NGOs 	Pre-basic seed for commercial producers	Minimized losses, higher yields /ha (from 1.5-2.0 tons/ha to 4.5 – 6.0 tons per ha)
<p>2. Maize Production Handbook</p> <p>Put together a comprehensive Manual that covers best practices for land preparation planting, fertilizer use, soil amendments, tillage, pest control and other practices including economics of production.</p> <p>Components</p> <ul style="list-style-type: none"> • Data collection and classification • Preliminary sets of recommendations 	<p>Medium to high potential areas</p> <p>Implementers</p> <ul style="list-style-type: none"> • Institutes (KARI, CIMMYT etc.) • Private sector • Universities • NGOs 	Maize Hand book printed	Higher yields resulting from use of recommended agronomic practices
<p>3. Liming and Soil Fertility Studies</p>	Western Kenya	Fertile soils	Higher yields

<p>Focus on soil fertility management using rock phosphate as a liming agent to overcome acidic soils, provide Phosphorus and increase availability of other soil nutrients.</p> <p>Components</p> <ul style="list-style-type: none"> • Selection of /zones for demonstrations • Assembly of all inputs • Training of farmers/ field days • Evaluation of results • Publication of Results and inclusion in Maize handbook 	<p>Implementers</p> <ul style="list-style-type: none"> • Moi University • NGOs • Private sector 		
<p>4. Fertilizer Input Promotion</p> <p>This intervention will promote use of different kinds of compound fertilizers and popularize the technology with farmers in targeted maize production zones of Western Kenya</p> <p>Components</p> <ul style="list-style-type: none"> • Selection of /zones for demonstrations • Assembly of all inputs • Training of farmers/ field days • Evaluation of results • Publication of results and inclusion in maize handbook 	<p>Western Kenya</p> <p>Implementers</p> <ul style="list-style-type: none"> • Min of Ag and Rural Devel. (MoARD) • NGOs • Stockists • Moi University 	Fertile soils	Higher yields (3,000 kgs/ha or 15 bags/acre)
<p>5. Improved Tillage Practices</p> <p>To promote the use of “improved tillage” practices by popularizing the technology with farmers in targeted maize production zones of western Kenya.</p>	<p>Implementers</p> <ul style="list-style-type: none"> • MOARD • NGOs • Stockists • Moi University 	Fertile soils	Better yields, lower cost of weeding (KES 1,500/= /acre)

<p>Components</p> <ul style="list-style-type: none"> • Selection of zones for demonstrations • Assembly of all inputs • Training of farmers/field days • Evaluation of results • Publication of results and inclusion in maize handbook 			
<p>6. Production and Conservation of Basic and Parent Seed</p> <p>To develop a self-sustaining KARI Seed Unit System starting with a few pilot centers which will provide breeder, pre-basic, and basic seed to qualified seed growers on a cost recovery basis.</p> <p>Components</p> <ul style="list-style-type: none"> • Develop four self-sustaining KSU Centers • Maintain all pre-released elite and released parental lines/varieties • Increase breeders seed of these lines • Produce pre-basic and basic seed on contractual basis • Assist in training seed growers in private sector on seed production techniques 	<p>KSU Centers Locations:</p> <ul style="list-style-type: none"> • Head Quarters • Katumani • Kitale • Embu • Kisii <p>Implementers</p> <ul style="list-style-type: none"> • KARI • KEPHIS 	High quality seed	Higher yields
<p>7. Market Information System (MIS) and Commodities Trading Floor (CTF)</p> <p>Develop a market information system for collecting and disseminating market information, especially trade information on</p>	<p>Western, Rift Valley, Central Mt. Kenya and Eastern (Matuu/MKS)</p> <p>Implementers</p> <ul style="list-style-type: none"> • NGOs/Foundation s • Local Private Companies 	MIS and CTF operational	<ul style="list-style-type: none"> • Well structured commodity markets • Efficient trade • Higher marketed volumes through CTF • Higher farm gate prices and incomes for producers

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<p>commodity offers, bids, prices, transport availability and charges, storage, stock finance, tariffs (export trade), trading procedures and documentation, and quality grades and standards.</p> <p>Components</p> <ul style="list-style-type: none"> • Preparation and marketing business plan • Development of trading floor • Marketing Information System (national and regional) • Developing clients/promotions 	<ul style="list-style-type: none"> • Cereal Growers Assoc., STAK, Kenya Dairy Board and milk processing companies • MoARD 		<ul style="list-style-type: none"> • Lower food prices for consumers • Higher profits and incomes for traders and processors in CTF
<p>8. Development of Farmer Organizations</p> <p>Assistance to farmers within a logical geographical area, in organizing themselves into an organization; preferably a cooperative or a limited liability company to conduct business activities.</p> <p>Components</p> <ul style="list-style-type: none"> • Assistance to organize themselves • Hire of storage facilities from e.g. NCPB • Capacity building of members 	<p>Medium to high potential areas</p> <p>Implementers</p> <ul style="list-style-type: none"> • Cooperative College of Kenya (CCK) • NGOs, Private Sector, MoARD 	<p>Viable farmer organizations</p>	<p>Difference between the farm gate price for non-members (assume a baseline of KES 450 to 600) and the final adjusted price paid to members (KES 1,000)</p>
<p>9. Human Resource Development</p> <p>Long and short term training of selected Kenyans in agricultural research, policy analysis and formulation and cooperative development. In agricultural research this will fill positions of responsibility being left by</p>	<p>Agricultural Research System, MOARD, CCK</p> <p>Implementers</p> <ul style="list-style-type: none"> • MoARD • KARI • Agricultural universities 	<p>Trained Kenyans at MBA, MSc. & Ph.D.</p> <p>Specialization:</p> <ul style="list-style-type: none"> • Agricultural Research (Breeding, Agronomy & Pathology) • Agricultural Policy and analysis • Cooperative 	

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<p>senior agricultural scientists who are now either in higher administrative positions or facing retirement. On agricultural policy, this will strengthen the GOK capability to evaluate and formulate appropriate policy proposals. For cooperatives, this will strengthen the ability of organizations to support the cooperative movement in Kenya.</p>		development	
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Acronyms and Abbreviations

ADSP	Agricultural Development Support Project
BDS	Business Development Services
CBO	Community Based Organization
CGA	Cereal Growers Association
CIMMYT	International Center for Maize and Wheat Improvement
FAO	Food and Agriculture Organization
FFS	Farmers Field Schools
GOK	Government of Kenya
IA	Implementing agency
ICIPE	International Center for Insect Physiology and Ecology
IR	Intermediate Result
IPM	Integrated Pest Management
IPPM	Integrated Pest and Production Management
KARI	Kenya Agricultural Research Institute
CCK	Cooperative College of Kenya
KDB	Kenya Dairy Board
KEPHIS	Kenya Planters Inspectorate Service
LGB	Large Grain Borer
MOARD	Ministry of Agriculture and Rural Development
NCPB	National Cereals and Produce Board
NGOs	Non-Governmental Organizations
SCODP	Sustainable Community Oriented Development Program
STAK	Seed Trade Association of Kenya
SO	Strategic Objective
TEC	Technical Evaluation Committee
USAID	United States Agency for International Development

SECTION D

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

CERTIFICATIONS, ASSURANCES, AND OTHER STATEMENTS OF RECIPIENT [1][2]

PART I - CERTIFICATIONS AND ASSURANCES

1. ASSURANCE OF COMPLIANCE WITH LAWS AND REGULATIONS GOVERNING NON-DISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

(a) The recipient hereby assures that no person in the United States shall, on the bases set forth below, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity receiving financial assistance from USAID, and that with respect to the grant for which application is being made, it will comply with the requirements of:

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d), which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance;

(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance;

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds;

(4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and

(5) USAID regulations implementing the above nondiscrimination laws, set forth in Chapter II of Title 22 of the Code of Federal Regulations.

(b) If the recipient is an institution of higher education, the Assurances given herein extend to admission practices and to all other practices relating to the treatment of students or clients of the institution, or relating to the opportunity to participate in the provision of services or other benefits to such individuals, and shall be applicable to the entire institution unless the recipient establishes to the satisfaction of the USAID Administrator that the institution's practices in designated parts or programs of the institution will in no way affect its practices in the program of the institution for which financial assistance is sought, or the beneficiaries of, or participants in, such programs.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the recipient by the Agency, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the recipient.

2. CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

(a) Instructions for Certification

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(1) By signing and/or submitting this application or grant, the recipient is providing the certification set out below.

(2) The certification set out below is a material representation of fact upon which reliance was placed when the agency determined to award the grant. If it is later determined that the recipient knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

(3) For recipients other than individuals, Alternate I applies.

(4) For recipients who are individuals, Alternate II applies.

(b) Certification Regarding Drug-Free Workplace Requirements

Alternate I

(1) The recipient certifies that it will provide a drug-free workplace by:

(A) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the applicant's/grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(B) Establishing a drug-free awareness program to inform employees about--

1. The dangers of drug abuse in the workplace;
2. The recipient's policy of maintaining a drug-free workplace;
3. Any available drug counseling, rehabilitation, and employee assistance programs; and
4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(C) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (b)(1)(A);

(D) Notifying the employee in the statement required by paragraph (b)(1)(A) that, as a condition of employment under the grant, the employee will--

1. Abide by the terms of the statement; and
2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;

(E) Notifying the agency within ten days after receiving notice under subparagraph (b)(1)(D)1. from an employee or otherwise receiving actual notice of such conviction;

(F) Taking one of the following actions, within 30 days of receiving notice under subparagraph (b)(1)(D)2., with respect to any employee who is so convicted--

1. Taking appropriate personnel action against such an employee, up to and including termination; or
2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(G) Making a good faith effort to continue to maintain a drug- free workplace through implementation of paragraphs (b)(1)(A), (b)(1)(B), (b)(1)(C), (b)(1)(D), (b)(1)(E) and (b)(1)(F).

(2) The recipient shall insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Four horizontal lines for entering the place of performance information.

Alternate II

The recipient certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in conducting any activity with the grant.

3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS [3]

(a) Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meaning set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. [4] You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is

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debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," [5] provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the methods and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealing.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

(b) Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, the it and its principals:

(A) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(B) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(C) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(B) of this certification;

(D) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

4. CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, United States Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

5. Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuala (ADS 206)

USAID reserves the right to terminate this [Agreement/Contract], to demand a refund or take other appropriate measures if the [Grantee/ Contractor] is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certification are required for Key Individuals or Covered Participants.

If there are COVERED PARTICIPANTS: USAID reserves the right to terminate assistance to, or take or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

6. CERTIFICATION OF RECIPIENT

The recipient certifies that it has reviewed and is familiar with the proposed grant format and the regulations applicable thereto, and that it agrees to comply with all such regulations, except as noted below (use a continuation page as necessary):

623-RFA-02-030

Solicitation No. _____

Application/Proposal No. _____

Date of Application/Proposal _____

Name of Recipient _____

Typed Name and Title _____

Signature _____ Date _____

[1] FORMATS: Rev. 06/16/97 (ADS 303.6, E303.5.6a) [2] When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement". [3] The recipient must obtain from each identified subgrantee and (sub)contractor, and submit with its application/proposal, the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Transactions, set forth in Attachment A hereto. The recipient should reproduce additional copies as necessary. [4] See ADS Chapter E303.5.6a, 22 CFR 208, Annex1, App A. [5] For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the grant standard provision entitled "Debarment, Suspension, and Related Matters" if the recipient is a U.S. nongovernmental organization, or in the grant standard provision entitled "Debarment, Suspension, and Other Responsibility Matters" if the recipient is a non-U.S. nongovernmental organization.

PART II - OTHER STATEMENTS OF RECIPIENT

1. AUTHORIZED INDIVIDUALS

The recipient represents that the following persons are authorized to negotiate on its behalf with the Government and to bind the recipient in connection with this application or grant:

Name	Title	Telephone No.	Facsimile No.
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2. TAXPAYER IDENTIFICATION NUMBER (TIN)

If the recipient is a U.S. organization, or a foreign organization which has income effectively connected with the conduct of activities in the U.S. or has an office or a place of business or a fiscal paying agent in the U.S., please indicate the recipient's TIN:

TIN: _____

3. CONTRACTOR IDENTIFICATION NUMBER - DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER

(a) In the space provided at the end of this provision, the recipient should supply the Data Universal Numbering System (DUNS) number applicable to that name and address. Recipients should take care to report the the number that identifies the recipient's name and address exactly as stated in the proposal.

(b) The DUNS is a 9-digit number assigned by Dun and Bradstreet Information Services. If the recipient does not have a DUNS number, the recipient should call Dun and Bradstreet directly at 1-800-333-0505. A DUNS number will be provided immediately by telephone at no charge to the recipient. The recipient should be prepared to provide the following information:

- (1) Recipient's name.
- (2) Recipient's address.
- (3) Recipient's telephone number.
- (4) Line of business.
- (5) Chief executive officer/key manager.
- (6) Date the organization was started.
- (7) Number of people employed by the recipient.
- (8) Company affiliation.

(c) Recipients located outside the United States may obtain the location and phone number of the local Dun and Bradstreet Information Services office from the Internet Home Page at <http://www.dbisna.com/dbis/customer/custlist.htm>. If an offeror is unable to locate a local service center, it may send an e-mail to Dun and Bradstreet at globalinfo@dbisma.com.

The DUNS system is distinct from the Federal Taxpayer Identification Number (TIN) system.

DUNS: _____

4. LETTER OF CREDIT (LOC) NUMBER

If the recipient has an existing Letter of Credit (LOC) with USAID, please indicate the LOC number:

LOC: _____

5. PROCUREMENT INFORMATION

(a) **Applicability.** This applies to the procurement of goods and services planned by the recipient (i.e., contracts, purchase orders, etc.) from a supplier of goods or services for the direct use or benefit of the recipient in conducting the program supported by the grant, and not to assistance provided by the recipient (i.e., a subgrant or subagreement) to a subgrantee or subrecipient in support of the subgrantee's or subrecipient's program. Provision by the recipient of the requested information does not, in and of itself, constitute USAID approval.

(b) **Amount of Procurement.** Please indicate the total estimated dollar amount of goods and services which the recipient plans to purchase under the grant:

\$ _____

(c) **Nonexpendable Property.** If the recipient plans to purchase nonexpendable equipment which would require the approval of the Agreement Officer, please indicate below (using a continuation page, as necessary) the types, quantities of each, and estimated unit costs. Nonexpendable equipment for which the Agreement Officer's approval to purchase is required is any article of nonexpendable tangible personal property charged directly to the grant, having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

TYPE/DESCRIPTION(Generic)	QUANTITY	ESTIMATED UNIT COST
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(d) **Source, Origin, and Componentry of Goods.** If the recipient plans to purchase any goods/commodities which are not of U.S. source and/or U.S. origin, and/or does not contain at least 50% componentry which are not at least 50% U.S. source and origin, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, and probable source and/or origin, to include the probable source and/or origin of the components if less than 50% U.S. components will be contained in the commodity. "Source" means the country from which a commodity is shipped to the cooperating country or the cooperating country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse. Any commodity whose source is a non-Free World country is ineligible for USAID financing. The "origin" of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when, through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results, which is substantially different in basic characteristics or in purpose or utility from its components. Merely packaging various items together for a particular procurement or relabeling items does not constitute production of a commodity. Any commodity whose origin is a non-Free World country is ineligible for USAID financing. "Components" are the goods which go directly into the production of a produced commodity. Any component from a non-Free World country makes the commodity ineligible for USAID financing.

TYPE/DESCRIPTION	QUANTITY	ESTIMATED	GOODS	PROBABLE	GOODS
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PROBABLE

7. TYPE OF ORGANIZATION

The recipient, by checking the applicable box, represents that -

(a) If the recipient is a U.S. entity, it operates as a corporation incorporated under the laws of the State of, an individual, a partnership, a nongovernmental nonprofit organization, a state or local governmental organization, a private college or university, a public college or university, an international organization, or a joint venture; or

(b) If the recipient is a non-U.S. entity, it operates as a corporation organized under the laws of _____ (country), an individual, a partnership, a nongovernmental nonprofit organization, a nongovernmental educational institution, a governmental organization, an international organization, or a joint venture.

8. ESTIMATED COSTS OF COMMUNICATIONS PRODUCTS

The following are the estimate(s) of the cost of each separate communications product (i.e., any printed material [other than non-color photocopy material], photographic services, or video production services) which is anticipated under the grant. Each estimate must include all the costs associated with preparation and execution of the product. Use a continuation page as necessary.

Attachment A

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS

(a) Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, has the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. 1/ You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier covered Transaction," 2/ without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non procurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

(b) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Solicitation No. _____

Application/Proposal No. _____

Date of Application/Proposal _____

Name of Applicant/Subgrantee _____

Typed Name and Title _____

Signature _____

1/ See ADS Chapter 303, 22 CFR 208.

2/ For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the USAID grant standard provision for U.S. nongovernmental organizations entitled "Debarment, Suspension, and Related Matters" (see ADS Chapter 303), or in the USAID grant standard provision for non-U.S. nongovernmental organizations entitled "Debarment, Suspension, and Other Responsibility Matters" (see ADS Chapter 303).

**KEY INDIVIDUAL CERTIFICATION NARCOTICS OFFENSES
AND DRUG TRAFFICKING**

I hereby certify that within the last ten years:

1. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.
2. I am not and have not been an illicit trafficker in any such drug or controlled substance.
3. I am not and have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

Signature: _____

Date: _____

Name: _____

Title/Position: _____

Organization: _____

Address: _____

Date of Birth: _____

NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain key individuals of organizations must sign this Certification.
2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

PARTICIPANT CERTIFICATION NARCOTICS OFFENSES AND DRUG TRAFFICKING

1. I hereby certify that within the last ten years:

a. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

b. I am not and have not been an illicit trafficker in any such drug or controlled substance.

c. I am not or have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

2. I understand that USAID may terminate my training if it is determined that I engaged in the above conduct during the last ten years or during my USAID training.

Signature: _____

Name: _____

Date: _____

Address: _____

Date of Birth: _____

NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain participants must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

FORMATS: Rev. 06/16/97 (ADS 303.6, E303.5.6a) When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement". The recipient must obtain from each identified subgrantee and (sub)contractor, and submit with its application/proposal, the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Transactions, set forth in Attachment A hereto. The recipient should reproduce additional copies as necessary. See ADS Chapter E303.5.6a, 22 CFR 208, Annex 1, App A. For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the grant standard provision entitled "Debarment, Suspension, and Related Matters" if the recipient is a U.S. nongovernmental organization, or in the grant standard provision entitled "Debarment, Suspension, and Other Responsibility Matters" if the recipient is a non-U.S. nongovernmental organization.